



MELITE

## COMPANY ANNOUNCEMENT

Melite Finance p.l.c.

### Update relative to upcoming Bondholders' meeting

---

Date of Announcement	11 November, 2021
Reference	31/2021
In terms of Chapter 5 of the Capital Markets Rules	

---

The following is a company announcement issued by the Board of Directors of Melite Finance plc (the "**Company**") in connection with the previously announced bondholders' meeting (vide company announcement MTE28), scheduled to be held tomorrow, 12 November, 2021, at 09:00 at the University of Malta, Valletta Campus, Old University Building, St. Paul's Street, Valletta.

#### QUOTE

Reference is made to company announcement MTE28 in terms of which the Company announced that a meeting of holders of the €9,250,000 secured bonds redeemable at par on 23 November 2028 and bearing interest at the rate of 4.85% per annum, having ISIN number MT0002031202 (the "**Bonds**") as at the record date set as 27 October, 2021 (the "**Bondholders**") be convened, on 12 November, 2021, at 09:00, for the purpose of such Bondholders considering and, if thought fit, approving, a series of resolutions relating to the Company's proposed Covid-19 restructuring plan, which plan formed the subject of a circular published on 18 October, 2021.

The purpose of the present company announcement is for the Company to announce that, earlier today, 11 November, 2021, the Company received the following communication from Alf. Mizzi & Sons Ltd (C 203), holder of 40.30% of the issued share capital of Melite Retail Limited (C 74224), the parent company of the Company:

#### QUOTE

*To: Melite Finance p.l.c. from Alf Mizzi & Sons Ltd*

*Whilst recognizing that Melite Retail Ltd ("**MR**") and its shareholders have no legal obligation whatsoever to support the Melite Finance p.l.c. ("**MF**") bond, nevertheless we have taken note of the view expressed by certain Bondholders that much of the financial predicament MF finds itself in as a result of the Covid19 devastation, was occasioned by the circa €1.65m in unpaid rents by Melite Italia Srl, an Italian subsidiary of MR, currently in a Concordato recovery procedure in Italy.*

*Of the €1.65m in unpaid rents, €638K have already been contributed by Alf Mizzi & Sons Ltd ("**AMS**"), MMGH Limited (C 343) and Daystar Holdings Limited (C 16466) between June and September 2020. Moreover, a further €350K circa are expected to be received by Melite*



*Properties Srl as a result of the Concordato proceeds next year. This leaves a shortfall of circa €660K.*

*AMS is hereby undertaking to make a further ex gratia contribution of €660K circa, over and above its share of the said contribution of €638K, amounting to €443K, by subscribing to preference shares which AMS will request MF to issue for this amount, and until such time as this is done (requiring an amendment to MF's Memorandum and Articles of Association and approval thereof by the Malta Financial Services Authority) it will give an appropriate undertaking to MF. The intention is for these preference shares to, of course, rank after the Bonds and to carry no fixed coupon.*

*We wish to make it clear that this is being done not because of any legal obligation, and that it will be the last such capital contribution or support AMS makes to MF directly or indirectly and must in no way be construed as creating any precedent or expectation of further contributions in future.*

*Alf Mizzi & Sons Ltd*

UNQUOTE.

Having taken cognizance of the undertaking made by AMS as aforesaid, the Board of Directors of the Company considers this latest development to give rise to a material change in the circumstances on the premise of which the Company had formulated its abovementioned Covid-19 restructuring plan. Accordingly, the Company shall, during the Bondholders' meeting due to take place tomorrow 12 November, 2021, propose an adjournment thereof with a view to allowing sufficient time to the Board of Directors of the Company to re-evaluate the terms of the Company's proposed Covid-19 restructuring plan. At this juncture, the Company is, however, in a position to announce that the proposal due to be tabled at the Bondholders' meeting to the effect "*that the interest rate payable on the Bonds shall be and is hereby reduced from 4.85% to 0.00%, 2.50% and 3.00% in respect of the interest due on the Bonds on each of the interest payment dates falling on 23 November 2021, 23 November 2022 and 23 November 2023 respectively*" shall be withdrawn. Indeed, the interest due on the Bonds in 2021 will be paid on or around the interest payment date falling on 23 November, 2021. The Company reserves its position with respect to the remaining terms of the Covid-19 restructuring plan, in respect of which further announcements will be made in due course.

UNQUOTE

By order of the Board of Directors of Melite Finance p.l.c.

**Malcolm Falzon**  
Company Secretary